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ARIZONA  
MINING ASSOCIATION



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July 13, 2013

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Honorable Bob Stump  
Chairman, Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Generic Docket No: E-00000W-13-0135 / In the Matter of the Commission's Inquiry into Retail Electric Competition

Dear Chairman Stump:

The Arizona Mining Association ("AMA") strongly supports a competitive retail electric market in Arizona and commends the members of the Arizona Corporation Commission for pursuing customer choice in retail electric service. The AMA has a long history of supporting market-based pricing for all commodities and sees this move by the Commission as being consistent with our position.

The cost and reliability of supply of power is of critical importance to the mining industry. The AMA consists of approximately 30 mining companies and 10 mining support companies who rely on electric power to support operations. The cost of energy—including fuel, natural gas and electricity—is one of the largest variable costs in the mining process. As such, managing the cost and reliability of our power supply is of paramount importance to the Arizona mining industry.

The prices for the commodities that are produced by the members of the AMA are set by global markets, rendering the mining companies in Arizona as "price takers" in economic terms. This means that in order for the Arizona mining industry to remain competitive by world standards, we must be able to have control over our costs. In other words, the more control and certainty over our energy costs, the more competitive Arizona will be for an expanding mining industry.

It is no exaggeration to say that the Arizona mining industry's ability to maintain and create high-paying mining jobs in rural Arizona is directly impacted by our ability to control the cost and reliability of electricity. This is why the AMA wholeheartedly supports the Commission's effort to reform the retail electric service market in Arizona to allow customers, large and small, to enjoy the benefits of a competitive market.

This worthy effort will have positive economic development impacts as Arizona employers achieve more control over energy expenses, and residential customers are rewarded with better service, innovation, and options that best match their individual desires.

Sincerely,

Kelly Norton  
President

Arizona Corporation Commission  
**DOCKETED**

JUL 15 2013

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